# Message Text

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USIA-06 AID-05 OMB-01 EB-07 IO-10 ACDA-05 /100 W

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R 061305Z MAY 75 ZDK

FM AMEMBASSY NEW DELHI

TO SECSTATE WASHDC 8529

INFO AMEMBASSY BANGKOK

AMEMBASSY CANBERRA

AMEMBASSY COLOMBO

AMEMBASSY DACCA

AMEMBASSY ISLAMABAD

AMEMBASSY JAKARTA

AMEMBASSY KATHMANDU

AMEMBASSY KUALA LUMPUR

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CINCPAC FOR POLAD

E. O. 11652: NGDS TAGS: PFOR, IN, XC CONFIDENTIAL

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SUBJECT: INDIA AND SOUTH EAST ASIA: HOPES BUT POOR PROSPECTS

SUMMARY: INDIA HAS PAINTED THE US WITHDRAWAL FROM CAMBODIA AND VIETNAM AS A VICTORY OF NATIONALISM OVER COLONIALISM, EVIDENCE OF FAILURE OF AMERICAN MILITARY ASSISTANCE AND PACTS, BUT INDEED AS HAVING BEEN INEVITABLE, AFTER SOME COARSE CROWING BY MPS. AND EFFUSIVE OFFICIAL CONGRATULATIONS TO THE PRG, GOI OFFICIALS AND MRS. GANDHI HAVE MOVED TO MORE DISCREET POSITIONS EXPRESSING REGRET THATTHE US DID NOT TRY TO DEVELOP RELATIONS WITH HO CHI MINH AS AN ASIAN TITO, BUT HAVE REFRAINED FROM FURTHER OFFENSIVE COMMENTS. FEW INDIANS HAVE COMMENTED PUBLICLY ON THE IMPLICATIONS FOR INDIA OF THE EVENTS THERE AND WE DOUBT THERE HAS BEEN MUCH DEEP THOUGHTON THE SUBJECT:. THE PRESS HAS NOTED PROBLEMS OF "SUB-NATIONALISMS" IN SOUTHEAST ASIA AND THE POSSIBILITY OF INCREASED SINO-SOVIET FRICTION IN THE AREA. IN RESPONSE TO PRODDING, THE FOREIGN MINISTER TOLD PARLIAMENT APRIL 16 THAT INDIA WAS EXPLORING VARIOUS AVENUES WHICH MIGHT LEAD TO A GREATER SENSE OF UNITY IN ASIA. INDIAN WANTS TO LIMIT CHINESE INFLUENCE, STRENGTHEN VIETNAMESE INDEPENDENCE OF THE CHINESE, AND TO BUILD CLOSER RELATIONS FOR ITSELF--ECONOMIC, TECHNOLOGICAL, AND POLITICAL-IN THE AREA. ASEAN DIPLOMATS IN DELHI DO NOT TRUST OR LIKE INDIA BUT THE INDIANS ARE PREPARED TO BE PATIENT AND BELIEVE THEIR HUMAN RESOURCES AND DEVELOPMENT EXPERIENCE WILL HELP THEM IN THE LONG RUN. IF THEY WERE TO SIGNIFICANTLY ADJUST A NUMBER OF THEIR CURRENT FOREIGN POLICY ACTIVITIES (TOWARD CHINA, THE USSR, PAKISTAN INVESTMENT POLICY) THEIR PROSPECTS FOR SOME PROGRESS MIGHT IMPROVE AND MIGHT SERVE US INTERESTS. WE DOUBT THEY IN FACT DO ANYTHING APPROACHING WHAT MIGHT BE NECESSARY TO ACHIEVE THEIR ENDS. END SUMMARY.

1. BACKGROUND: INDIA HAS SPOKEN FOR MANY YEARS OF THE INEVITABILITY OF SUCCESS BY COMMUNIST FORCES IN VIETNAM.
IT HAS HOPED THAT NORTH VIETNAM WOULD EMERGE AS A RIVAL POWER IN THE REGION TO THE CHINESE, AND THAT INDIA COULD WORK WITH THE VIETNAMESE. BUT IT HAS IN PRACTICE ADOPTED A CAUTIOUS DIPLOMATIC POLICY, READY TO JUMP ANY WAY. THUS, IT DID NOT GIVE UP CONSULAR RELATIONS WITH SOUTH VIETNAM UNTIL THE GVN SURRENDERED, DELAYED NEARLY A YEAR IN ALLOWING THE PRG TO OPEN AN OFFICE IN DELHI AFTER AGREEMENT IN PRINCIPLE WAS REACHED, AND WAITED UNTIL ALMOST THE LAST MINUTE TO RECOGNIZE THE SIHANOUK CONFIDENTIAL

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REGIME IN CAMBODIA. ALTOUGH INDIA ESTABLISHED DIPLOMATIC RELATIONS WITH NORTH VIETNAM IN 1972, INDO-VIETNAMESE RELATIONS ARE NOT CLOSE AND THE INDIANS HARDLY STAND IN THE VANGUARD OF OPEN SUPPORT OF THE PRG. THEY STILL HAVEN'T NAMED A REPLACEMENT FOR THEIR AMBASSADOR TO HANOI, WHO LEFT IN FEBRUARY 1975, LARGELY BECAUSE THEY HAVE NOT FOUND ANY CANDIDATES WILLING TO TAKE THE JOB. INDEED, INDIA HAS FOLLOWED A POLICY WHICH BOTH ANTAGONIZED THE US AND FAILED TO INGRATIATE

IT VERY DEEPLY WITH THE VIETNAMESE.

2. INDIAN REACTION: IN THE LAST FEW WEEKS, PUBLIC GOI STATEMENTS AND PRESS COMMENT HAVE UNIFORMLY PRESENTED THE EVENTS IN CAMBODIA AND VIETNAM AS A SUCCESS FOR THE FORCES OF ASIAN NATIONALISM. FOREIGN MINISTER CHAVAN TOLD A SEMINAR ON INDIAINDONESIAN RELATIONS APRIL 23, FOR EXAMPLE, "THESE DEVELOPMENTS IN INDO-CHINA ARE THE CULMINATION OF A HEROIC STRUGGLE WAGED BY THE PEOPLE OF INDO-CHINA TO ASSERT THEIR INDEPENDENCE AND SOVEREIGNTY AND THEIR DETERMINATION TO SHAPE THEIR DESTINY WITHOUT EXTERNAL INTERFENCEC."

3. BOTH THE PRESS AND INDIANS PRIVATELY HAVE FOUND GREAT FASCINATION IN THE FAILURE OF THE UNITED STATES TO INTERVENE IN THE LAST MONTHS. ALTHOUGH FEW IF ANY WOULD HAVE OPENLY SUPPORTED US ACTION, THEIR INITIAL INCLINATION WAS TO DRAW NEGATIVE CONCLUSIONS ABOUT US WILL AND DETERMINATION FROM OUR FAILURE TO DO SO. INDIAN MILITARY OFFICERS IN PAR-TICULAR HAVE BEEN CRITICAL OF THE WAY IN WHICH THE US CONDUCTED THE WAR IN BOTH VIETNAM AND LAOS. THE VIRTUALLY UNIVERSAL OPINION OF GENERAL-LEVEL OFFICERS HAS BEEN THAT THE US SHOULD PROBABLY NOT HAVE BECOME INVOLVED IN THE FIRST PLACE. BUT HAVING DONE SO SHOULD HAVE FOUGHT THE WAR IN WIN. "YOU ARE BLOODY FOOLS", SNORTED OUTSPOKEN GENERAL JACOB, WHO COMMANDS THE INDIAN EASTERN MILITARY TEGION, TO AN EMBASSY OFFICER LAST MONTH. "ONCE YOU GOT IN. YOU SHOULD HAVE WIPED OUT NORTH VIETNAM." NEEDLESS TO SAY, THESE OFFICERS OFFER THESE COMMENTS ALMOST EXLUSIVELY IN PRIVATE AND WITHOUT OTHERS OF THEIR COLLEAGUES PRESENT, AND FEW IF ANY HAVE OR WOULD HAVE UTTERED A WORD TO DEFEND THE US IF WE HAD FOLLOWED THEIR ADVICE.

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4. NEVERTHELESS, INDIANS HAVE APPARENTLY BECOME SOMEWHAT SENSITIVE TO THE POSSIBILITY THAT THE US MIGHT PULL BACK TOO FAR ON THE INTERNATIONAL SCENE AS A RESULT OF THE EVENTS IN INDOCHINA. DEFENCE MINISTER SWARAN SINGH, NOT ONE OF AMERICA'S MOST CONFIDENTIAL

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ARDENT DEFENDERS IN RECENT MONTHS, WENT OUT OF HIS WAY TO EMPHASIZE TO THE NATIONAL WAR COLLEGE GROUP VISITING DELHI LAST WEEK THAT HE DID NOT THINK THAT AMERICAN CREDIBILITY OR REPUTATION WOULD OR SHOULD SUFFER AS A RESULT OF OUR WITH-DRAWAL FROM INDO-CHINA, AND STRESSED HIS AND INDIA'S DESIRE FOR FRIENDLY RELATIONS WITH THE US. MRS. GANDHI'S REMARKS AT THE KINGSTON COMMONWEALTH PRIME MINISTER'S CONFERENCE THAT THE US MADE THE MISTAKE OF NOT THINKING OF NORTH VIETNAM AS AN ASIAN YUGOSLAVIA, AND HER SHARP CRITICISM OF COMMUNISM AS A FORM OF GOERNMENT MAY WELL BE CALCULATED TO HAVE THE SAME IMPACT ON US, AND ON NON-COMMUNIST ASIAN MEMBERS OF THE COMMONWEALTH.

5. INDIAN INTERESTS: PUBLIC COMMENTARY REVEALS LITTLE
EVIDENCE OF INDIAN THINKING ABOUT THE IMPLICATIONS FOR INDIA
OF THEEVENTS IN INDO-CHINA. NEITHER THE FOREIGN MINISTER
NOR THE DEFENSE MINISTER MADE ANY ANALYSES IN THEIR WRAP-UP
POLICY STATEMENTS TO PARLIAMENT LAST MONTH. OF THE VALUMES

OF PRESS REPORTING AND COMMENTARY, WE HAVE FOUND ONLY A BARE HANDFUL WHICH CONSIDER THE LONGER-TERM INDIAN INTEREST IN THESE EVENTS. THERE ARE VERY FEW INDIANS SCHOLARS WHO HAVE FOCUSED ON SEA AND SOME RESPONSIBLE INDIANS ARGUE INDIA HAS NO INTEREST IN THE

#### AREA WHATSOEVER.

6. A FEW ANALYSISTS DRAW ATTENTION TO A POSSIBLY PAINFUL FUTURE OF ADJUSTMENT AFFECTED BY NATIONALISM AND BY THE SUBNATIONALISMS OF THE NUMEROUS DISTRICTTRIBES THROUGHOUT THE AREA WHICH HAVE TRADITIONALLY SOUGHT AUTONOMY, HAVE THEIR OWN CULTURE, AND EXTEND WESTWARD THROUGH THAILAND AND BURMA INTO INDIA'S NORTHEAST. "IT WOULD ... BE TRAGIC IF COMMUNIST GROUPS OR ETHNIC MINORITIES WERE TO BE USED BY THE CHINESE TO FURTHER THEIR OWN INFLUENCE," OBSERVES ONE EDITORIAL. PRIVATELY, SOME CIVILIAN AND MILITARY OFFICERS SAY THAT THAILAND AND BURMA MAY BE NEXT.

7. ANOTHER IDENTIFIABLE THOUGHTIS THAT INTENSIFIED SINO-SOVIET MAY NOW ENSUE IN SOUTHEAST ASIA. THE SAME EDITORIAL WHICH MENTIONED POSSIBLE MORE CHINESE ACTIVITY AMONG MINORITIES IN BURMA AND IN INDIA'S NORTHEAST SAID, "THE RESULT COULD ONLY BE TO ENCOURAGE THE AMERICANS, SOVIETS AND POSSIBLY OTHERS TO "COMPETE" FOR INFLUENCE, PERPETUATING INSTABILITY AND CONFIDENTIAL

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SOWING THE SEEDS OF FRESH INTERVENTION."

8. INDIAN OFFICIALS HAVE OFFERED FEW COMMENTS TO THEIR OWN PRESS OR TO FOREIGN VISTORS AND LOCAL DIPLOMATS. THE GENERAL IMPRESSION THEY HAVE LEFT IS THAT WHATWEVER CONCERNS INDIA MAY HAVE ABOUT DEVELOPMENTS IN SEA, THESE ARE NOT MILITARY AND THAT INDIA SEES NO THREAT TO TIS OWN SECURITY FROM THE AMERICAN WITHDRAWAL FROM SEA. THIS, FOR EXAMPLE, IS THE THEME WHICH WAS EMPHASIZED BOTH TO THE SOUTH KOREAN FOREIGN MINISTER LATE IN APRIL AND TO VISITING INDONESIANS AT THE SAMETIME (NEW DELHI 5992) AND IT PARALLELS THE VIEWS EXPRESSED BY THE INDIAN FOREIGN SECRETARY TO THE AUSTRALIAN HIGH COMMISSIONER JUST BEFORE THE FOREIGN SECRERARY'S DEPARTURE FOR THE KINGSTON CONFERENCE.

9. OUR CONVERSATIONS WITH A WIDE RANGE OF INDIANS AND ASIAN DIPLOMATS IN THE LAST TWO WEEKS TEND TO CONFIRM THAT THERE HAS BEEN LITTLE IF ANY CONCERTED INDIAN THINKING ABOUT ANY MILITARY IMPLICATIONS FOR INDIA OF A US MILITARY WITHDRAWAL FROM INDOCHINA, FROM SOUTHEAST ASIA, OR INDEED FROM EAST AISA. TO THE EXTENT INDIANS EXPRESS CONCERN, IT IS THAT THE US MAY REESTABLISH SOME NEW BASE OF OPERATIONSIN THE INDIAN OCEAN WHICH COULD FURTHER COMPLICATE INDIAN SECURITY OR BRING THE SOVIETS MORE ON THE THE SCENE. INDO-CHINA, INDIANS PROFESS, IS SIMPLY TOO FAR AWAY AND WHAT HAPPENS THERE DOES NOT AFFECT INDIA MILITARILY.

PERHAPS THAILAND MIGHT COME UNDER INSURGENT PRESSURE, OR MALAYSIA; PERHAPS EVEN BURMA MIGHT COME UNDER INCREASED GUERRILLA THREAT. THE LATTER WOULD WORRY INDIA. BUT MOST INDIANS DOUBT IT WILL OCCURE AND THINK THE FEARS OF SOME ASEAN COUNTRIES ARE EXAGGERATED. IN ANY EVENT, THE SAY, INDIA IS STRONG ENOUGH TO TAKE CARE OF ITSELF AND CAN BECOME STRONGER, IS TOO LARGE FOR ANYONE TO SWALLOW, AND IT IS FAR MORE LIKELY THAT INDIA WILL BE ABLE TO IMPROVE RELATIONS WITH VIETNAM, THE OTHER STATES OF SEA, AND REDUCE ANY PROSEPCTIVE THREAT TO ITS OWN SECURITY.

10. OCCASIONALLY MILITARY OFFICERS WILL MORE DIRECTLY ACKNOWLEDGE THAT INDIA'S SECURITY IN THE AFTERMATH OF A COMMUNIST OVERRUN OF INDOCHINA WILL REQUIRE SOME RETHINKING, BUT THEY STOP THERE. CONCEIVABLY THE INCREASED INDIAN EMPHASIS UPON UPGRADING ITS NAVAL FORCES REPRESENTS AN ACKNOWLEDGMENT OF A PRACTICAL PROBLEM WHICH INDIVIDUALS ARE RELUCTANT TO CONFIDENTIAL

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ARTICULATE OPENLY. CERTAINLY THE INDIANS ARE ACTIVELY BUILDING A NAVAL BASE ON THE NICOBAR ISLANDS, A POTENTIAL "CHOKE POINT" FOR ANY "HOSTILE" NAVAL MOVEMENT INTO THE INDIAN OCEAN. BUT THERE IS NO PROFESSED INDIAN CONCERN THAT IT MIGHT ACTUALLY SERVE INDIAN INTEREST TO HAVE THE US OR EVEN THE SOVIET NAVIES AROUND THE INDIAN OCEAN JUST FOR SOME MODEST CONTINGENT SECURITY. IT WAS ON THIS ISSUE THAT INDIAN AND INDONESIAN STRATEGISTS MEETING IN DELHI LAST WEEK FOUND THEMSELVES AT ODDS.

11. NEVERTHELESS THERE IS A WIDELY PREVALENT FEELING THAT AN OPPORTUNITY NOW EXISTS FOR CONSOLIDATING SEA, AND POSSIBLY OTHER PARTS OF ASIA AS WELL, AS ZONES OF PEACE AND NEUTRALITY, AND PERHAPS ZONES OF GREATER INDIAN INFLUENCE. FORMER MINISTER DINESH SINGH IN THE PARLIAMENTARY DEBATE ON FOREIGN AFFAIRS THREE WEEKS AGO, FOR EXAMPLE, SAID THAT INDIA SHOULD BECOME MORE INVOLVED IN PRESSING FOR ASIAN UNITY. FOREIGN MINISTER CHAVAN REPLIED APRIL 16 THAT ALTHOUGH CERTAIN INSTI-TUTIONS EXISTED IN THE ECONOMIC FIELD SUCH AS ESCAP AND THE ADB, "WE HAVE BEEN CONSCIOUS OF CERTAIN LACK OF INSTITUTIONAL ARRANGEMENTS FOR CONSULTATION AMONG ASIAN COUNTRIES WHICH WOULD PROVIDE FOR AN OPPORTUNITY TO ENSURE THAT THEIR INTERESTS ARE ADEQUATELY PROMOTED IN INTERNATIONAL FORUMS ... TOWARDS THIS END GOVERNMENT HAS BEEN UNDERTAKING CONSULTATION WITH SEVERAL FRIENDLY ASIAN GOVERNMENTS WHOSE RESPONSE HAS BEEN GENERALLY ENCOURAGING. IT IS HOPED THAT THESE EXCHANGES CAN BE WIDENED AND WILL EVENTUALLY LEAD TO THE EMERGENCE OF A

GREATER SENSEOF UNITY IN ASIA." (BUT THE ASIAN EMBASSIES HERE SAY THE GOI HAS NOT APPROACHED THEIR GOVERNMENTS ON THIS SUBJECT.) AGAIN ON APRIL 23, THE FOREIGN MINISTER DREW A PARALLEL BETWEEN THE INTEREST OF THE ASEAN COUNTRIES IN A ZONE OF PEACE,

FREEDOM AND NEUTRALITY IN SOUTHEAST ASIA AND INDIA'S INTEREST IN A ZONE OF PEACE IN THE INDIAN OCEAM. "EFFORTS TO PERSUADE EXTERNAL POWERS TO COMPLY WITH THEIR OBLIGATONS UNDER THE INDIAN OCEAN PEACE ZONE PROPOSAL AND UNDER THE ASEAN PROPOSAL ... ARE BUT DIFFERENT FACETS OF ONE AND THE SAME UNDERTAKING, "HE SAID.

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12. THERE IS NOTHING VERY NEW IN ALL THIS FROM THE INDIAN POINT OF VIEW. IT IS A REPLY IN MAY WAYS OF INDIAN POLICY IN THE 1950S WHEN INDIA BELIEVED AN AFRO-ASIAN COMMUNITY (BANDUNG) LED BY -- OR AT LEAST HEAVILY INFLUENCED BY--INDIA WOULD GROW CONFIDENTIAL.

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AROUND THE THEME OF NON-LIGNMENT AND THE ELIMINATION OF GREAT POWER PRESENCE FROM THE ASIAN REGION. IT IS HARD TO TELL AT THIS POINT WHETHER THE INDIANS HAVE SIMPLY PULLED THEIR OLD FILES, OR ARE THINKING OF SOMETHING VERY NEW. ONE NEW ELEMENT CERTAINLY IS THAT THE INDIANS WANT TO RESTRICT CHINESE INFLUENCE TO THE MINIMUM AND HOPE TO CONTRIBUTE TO AN EFFORT BY THE STATES(#) SOME INDIANS EXPRESS CONCERN OVER WHETHER THEIR ASSOCIATION WITH THE SOVIETS, THEIR CURRENT OVERT ANTAGONISTIC RELATIONS WITH CHINA,

AND THEIR OWN LOOMING SIZE WILL NOT CONFOUND THEIR EFFORTS.
THEIR OWN UNCERTAIN RELATIONS WITH THEIR NEIGHBORS ARE ANOTHER SOURCE OF EMBARRASSMENT, AS THE INDONESIANS RECENTLY POINTED OUT TO INDIANS IN NEW DELHI.

13. THE INDIANS DO NOT HAVE A LOT OF CHIPS TO PLAY WITH IN SEA, AND THEY MAY HAVE TO MAKE SOME VERY HARD DECISIONS ABOUT READJUSTING THEIR POLICIES TOWARD A NUMBER OF COUNTRIES IN ORDER EVEN TO SIT POLICIES TOWARD A NUMBER OF COUNTRIES IN ORDER EVEN TO SIT CREDIBLY AT THE TABLE. WE ARE ALMOST SURE FEW PEOPLE IN GOVT HAVE THOUGH THIS THROUGH, AND DOUBT WHETHER, WHEN THEY DO, THEY WILL BE ABLE TO PLAY IN THE GAME, EVEN THOUGH THE MAY CERTAINLY TRY.

(A) RESOURCES: THE INDIANS HAVE LITTLE IF ANY TO DISPENSE, WHETHER TO THE ASEAN STATES OR THE NORTH VIETNAMESE. THEY COULD PROVIDE SOME TECHNOLOGY, MANPOWER, AND SOME ECPITAL--MAINLY PRIVATE, IF THE GOI WAS WILLING TO CHANGE ITS OWN DOMESTIC, ECONOMIC AND POLITICAL POLICIES TO ENCOURAGE SOME CAPITAL EXPORT IN LIGHT INDUSTRIAL AND CONSTRUCTION AREAS. THEY HAVE IN THE PAST GIVEN SOME AGRICULTURAL HELP TO NVN AND MAY WELL DO MORE. SOME INDIANS ADMIT THEIR TOTALLY RUPEE TIED ADB CONTRIBUTION COULD LEAD ASIANS TO FEAR INDIAN WAS ATTEMPTING TO USE ITS AID AS A LEVER OF DIRECT INDIAN INTERNAL INFLUENCE IN ASIAN ECONOMIES. BUT IT'S NOT TRUE, THE SAY, AND IN ANY EVENT INDIA HAS NO OTHER RESOURCES TO OFFER. THERENKRE, OF COURSE, OTHER ASPECTS OF ECONOMIC INTEREST SUCH AS EXPLOITATION OF RESOURCES IN THE INDIAN OCEAN. THE INDIANS HAVE CONCLUDED AN AGREEMENT WITH INDONESIA DEMARCATING THEIR TERRITORIAL WATERS (QOURL BUT WE HAVE NOT INDICATION THAT THEY ARE WORKING ON THIS WITH THE THAIS OR MALAYSIANS, OR HAVE GIVEN ANY THOUGH TO THE CONFIDENTIAL.

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POLITICAL/ECONOMIC ASPECTS OF MINERAL EXPLORATION WITH SEA STATES IN THIS AREA. (SEE GANGKOK'S A-118, APRIL 18, 1975).

(B) CHINA: WHILE THE ASEAN COUNTRIES HAVE DIFFERING RE-LATIONS WITH CHINA, NONE HAVE OUITE THE HANG-UP IN DEALING WITH THE CHINESE THAT THE INDIAN'S DO. TO SOME EXTENT THIS RELATES TO INDO- PAKISTANI RELATIONS AND CHINA'S SUPPORT FOR PAKISTAN. AND THERE AS ARE AS WELL THE SENSITIVE PROBLEMS OF THE SINO-INDIAN BORDER DISPUTE AND CHINESE SUPPORT (SMALL BUT ANNOYING) FOR TRIBAL INSURGENCIES IN NORTHEASTERN INDIA. THE INDIANS ARE UNCERTAIN WHETHER THEIR INDENTIFICATION AS ANTI-CHINESE (AND PRO-SOVIET) MAY MAKE THE COUNTRIES OF SEA, INCLUDING POSSIBLY EVEN THE VIETNAMESE, LAO, AND CAMBODIANS, UNEASY AT DEALING WITH INDIAN EXCEPT AT ARMS LENGTH. AND SO INDIA'S INTEREST IN BECOMING MORE ACTIVE IN SEA MAY BECOME AN ADDI-TIONAL ELEMENT IN INDIA'S THINKING ABOUT HOW TO MOVE (OR WHETHER TO MOVE) TO IMPROVE RELATIONS WITH PEKING. (C) PAKISTAN AND OTHER INDIAN NEIGHBORS: ASIDE FROM THE CHINA ASPECT FOR INDO-PAKISTANI RELATIONS, THE ASEAN COUNTRIES ALL APPEAR TO HAVE SIMILAR VIEWS OF INDIA AS ITSELF A POTEN-TIALLY EXPANSIONIST STATE. AND THE FACT THAT MALAYSIA IS A CONSCIOUSLY MUSLIM COUNTRY AND THAT INDONESIA. WHILE CONSCIOUSLY NON-MUSLIM IS NEVERTHELESS FRIENDLY WITH PAKISTAN, MAY ADD TO THE RELEVANCE OF A POTENTIAL INDO-PAKISTAN RECONCILIATION AND NORMALIZATION TO THE PERCEPTION OF INDIA IN SEA. WHEN ASKED ABOUT SUCH PERCEPTIONS OF INDIA, SENIOR INDIAN DIPLOMATS (SUCH AS PLANNING STAFF DIRECTOR JAGAT MEHTA) ACKNOWLEDGE THE EXIST, BUT ADMIT INDIA CAN ONLY HOPE THAT OVER TIME ITS OWN ACTIONS WILL EASE THESE FEARS. JUST AS ITS MILITARY FORE-BEARANCE WILL EASE FEARS OF INDIA AS A POTENTIAL MILITARY AND NAVAL THREAT.

(D) THE SOVIET UNION: THE INDIANS ARE AWARE THAT NONE OF THE ASIANS WANTS TO BE TIED TOO CONSPICUOUSLY TO THE SOVIENT BEAR, AND THAT THE INDO-FLVIET TREATY COULD REPRESENT AN ALBATROSS FOR INDIAN MOVES FOR "UNITY" AND INVOLVEMENT IN SEA. MRS. GANDHI'S ANTI-COMMUNIST REMARKS IN KINGSTON, AS NOTED EARLIER, MAY BE DESIGNED TO EASE SOME OF THESE CONCERNS. BUT IT WILL TAKE A VERY HARD DECISION INDEED ON THE GOI'S PART TO SHIFT ITS RELATIONS SIGNIFICANTLY WITH THE USSR IN ORDER TG FUNCTION MORE EASILY IN SEA.

(E) ASEAN: WE SUSPECT THERE IS SOME TRUTH IN THE SUSPICION OF ASEAN DIPLOMATS HERE THAT INDIA CONFIDENTIAL

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WOULD LIKE TO SPLIT THE ORGANIZATION, DEAL WITH THE INDIVIDUAL COUNTRIES -- AND

WITH THE INDO-CHINA STATES, AND BE QUEEN OF THE HILL. IT SOUNDS LIKE A FANTASY, BUT THE INDIANS HAVE DIVERSE INTERESTS IN SEA AND PROBABLY DO NOT RELISH THE IDEA OF DEALING WITH A GROUPING LIKE ASEAN. THEY DO THIS WITH THE EEC, BUT THEY HAVE NO ALTERNATIVE THERE AND IT IS NOT CLEAR TO US THAT IF THE INDIANS HAD A CHOICE THEY WOULD ALSO NOT RATHER DEAL EXCLUSIVELY WITH INDIVIDUAL EUROPEAN STATES. PARTICULARLY IN DDEALING WITH SMALL STATES, INDIA'S "POWER" IS MORE EASILY AND EFFECTIVELY APPLIED ON AN INDIVIDUAL BASIS THAN IN MULTILATERAL NEGOTIATIONS AND "BILATERALISM" HAS BECOME SOMETHING OF A SHIBBOLETH IN INDIAN DIPLOMACY. THE INDIANS CAN COMPROMISE, BUT DON'T LIKE TO.

14. AMERICAN INTERESTS: AT THIS POINT, OUR CONCLUSION IT THAT INDIAN POLICY ITSELF IS SO BESET WITH CONTRADICTIONS AND INCONSIS-TENCIES IN TERMS OF ITS POLICY OPTIONS, AND TOWARD WHAT NATIONAL INTERESTS INDIA'S ACTIONS SHOULD BE DIRECTED IN SEA THAT WE CAN PERCEIVE NO US ACTIONS AS APPROPRIATE AT THIS POINT EXCEPT TO WATCH AND OBSERVE. TO THE EXTENT THAT THE INDIANS DECIDE TO MAKE A MAJOR EFFORT TO BECOME MORE ACTIVE IN THE AREA, THE PRIMARY POLICY CHANGES IT WOULD HAVE TO UNDERTAKE WOULD ALMOST ALL SEEM TO SERVE US INTERESTS. THAT IS, AN IMPROVEMENT IN INDIA'S RELATIONS WITH ITS NEIGHBORS, A COOLING OF THE INDO-SOVIET RELATIONSHIP, IMPROVED SINO-INDIAN RELATIONS, AND GREATER INDIAN RESOURCE ALLOCATION TO THE SEA AREA. WE DOUBT THE GOI WILL BE WILLING OR EVEN ABLE TO MAKE THESE CHANGES, AND IF THINGS ARE DONE, THEY WILL PROBABLY BE HALF-BAKED OR HALF-THOUGH-THROUGH, AND THEREFORE NOT LIKELY TO BE VERY EFFECTIVE.

15. WE WOULD BE INTERESTED IN COMMENTS OF SEA EMBASSIES. SAXBE

NOTE BY OC/T: NEW DELHI 6069. PARA 12. (#)AS RECEIVED. CORRECTION TO FOLLOW

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Review History: RELEASED <25 JUN 2003 by CunninFX>; APPROVED <04 NOV 2003 by ShawDG>

**Review Markings:** 

Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 05 JÚL 2006

**Review Media Identifier:** Review Referrals: n/a Review Release Date: n/a Review Release Event: n/a **Review Transfer Date:** Review Withdrawn Fields: n/a

Secure: OPEN Status: NATIVE

Subject: INDIA AND SOUTH EAST ASIA: HOPES BUT POOR PROSPECTS SUMMARY: INDIA HAS PAINTED THE US WITHDRAWAL FROM

CAMBODIA

TAGS: PFOR, IN, XC, US

To: STATE

Type: TE

Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 05 JUL 2006